



**Hammock**

Customer Media & Marketing Content



# IDEA EBOOK

## Outcome Marketing

Using direct-to-customer media  
and content to build long-term  
marketing relationships





# Outcome Marketing

Using direct-to-customer media and content to build long-term marketing relationships

One of our beliefs at Hammock is that customers don't buy products or services—they buy the hope that your product or service will fulfill their goals. They aren't purchasing your product—they are purchasing the outcome they seek, and the outcome you promise.

This Idea Ebook collects several examples to explain what outcome marketing means, the hows and whys that can help marketers better direct their message and strategy—especially in this time of upheaval in the ways marketers have to communicate directly with the customers, users or members they serve

We believe marketers should learn from companies like Orvis that have discovered the secret to long customer relationships. Its focus is not the transactional selling of fly fishing equipment. Its focus is helping customers become successful at catching trout in mountain streams through Orvis-sponsored fly fishing schools and trips around the globe.

Helping customers discover, understand and better use your products and services is the outcome marketers and customers both seek.

**It is the kind of marketing that replaces hype with help.**



## About Hammock

Founded in 1991, Hammock is a pioneer in working with corporate and association clients to develop and manage direct-to-customer media and marketing content that builds long-term marketing relationships. Our media development and management includes recurring print magazines and newsletters, and a wide array of on-going digital media and video development and management. Our work includes in-depth research and strategy development that aligns the media and content used by our clients with their organization's strategic goals.

Within Hammock, we have two specialized teams that provide focused services: Hammock Customer Media, our business-to-business and consumer group; and Hammock Healthcare Media, which serves the unique needs of the healthcare field.

**Hammock Idea Ebooks** explore topics related to the emerging challenges and opportunities for creating lasting relationships between buyers and sellers, organizations and members, and causes and supporters.

# What is Outcome Marketing?

When Apple introduced the third generation iPad in March 2012, its opening video began with these two sentences:

“We believe technology is at its very best when it’s invisible.

When you’re conscious only of what you’re doing, not the device you’re doing it with.”



Think about that. Apple, a company recognized for creating some of history’s most revolutionary consumer technology, is declaring that the goal of their innovative products is to be invisible.

The next time you see an ad for any Apple product, notice that the focus is not on the product itself but on what the owner of their product can be, do or accomplish. The actual product is rarely shown. Apple’s advertising, at its best, celebrates what people can do with its products—the outcomes they can achieve.

Marketing is too often devoted to telling the world how great a company’s products or services are. They tout how big they are or how old or how young or how smart. They bombard us with features and claims and comparisons.

But as a customer or owner of a product, we judge marketing in a different way. We respond to marketing that shows us what we can accomplish—and then provides us with the information and ongoing help to make sure we can reach the outcome we seek.

Customers care little about how great a product is. They care how great the product can make them.

When you emphasize how your product can help customers achieve the outcome they desire, they don’t think of it as marketing. They don’t ignore or block it. They think of it as help and hang on every word.

Outcome marketing is marketing at its very best:

It’s invisible.

# Don't Sell Pots and Pans:

Teach Your Customer  
How to Be a Better Cook



By focusing on the outcome your customers seek rather than what your company sells, you can replace a marketing approach that conveys your product is a commodity into one that makes your products indispensable.

For example, think about something as common as cooking tools and utensils.

You can purchase pots and pans anywhere. They are a commodity as common as the kitchen sink.

Then how is a company like Williams-Sonoma able to sell pots and pans as premium products? By realizing there are many customers who yearn to be better cooks. Williams-Sonoma recognized that these customers' desired outcome isn't the ownership of pots and pans.

These customers want to prepare better meals and entertain guests.

So Williams-Sonoma stopped being merely a store that sells pots and pans and expanded their mission statement to recognize what they do is help customers achieve the outcomes they seek.

By making the delivery of engaging content a part of their mission statement and not just part of their marketing plan, Williams-Sonoma has spawned a wide variety of branded media products and events ranging from cookbooks to cooking schools to online tutorials and even a kitchen-hardened iPad stand and speaker system. ■

"THE MISSION OF [WILLIAMS-SONOMA] IS TO BE THE LEADER IN COOKING AND ENTERTAINING BY DELIVERING GREAT PRODUCTS, WORLD CLASS SERVICE AND ENGAGING CONTENT."

---



## Outcome Marketing After the Sale

**After the sale**, when a shopper becomes an owner, helping customers succeed at their profession or personal passion can add value to your products and services and create customers for life.

Unfortunately, companies rarely consider what happens after the sale. For example, why is the “some assembly required” instruction sheet you find enclosed with products so inferior in quality to the content the company created to sell you the product in the first place?

**Here's a better way:** Treat the owner's manuals, how-tos, tutorials, source-books, online guides, conferences, classes, etc., as outcome tools—information created specifically to enhance the customer's ability to use the product or service with greater skill, efficiency and even enjoyment. Give your customers tools to enhance their capabilities. ■



# The Outcome Marketing Starter Toolbox

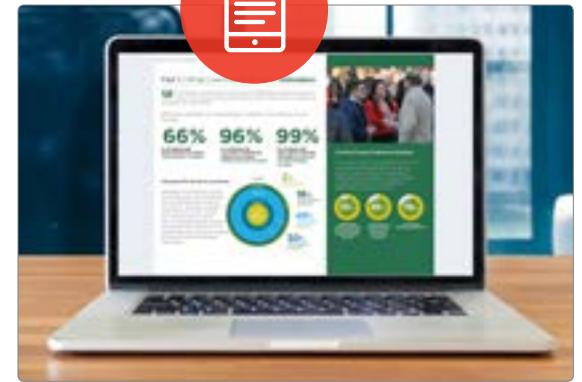
Here are a few tools to help customers use your product or service to fulfill certain sought-after outcomes. They add value to your product and serve as the foundation of a long customer relationship.



Video user manuals that help customers overcome common glitches



A steady stream of how-tos, case studies, knowledge base or wiki content



Ebooks and guides that provide help and insight



Online and live training, certification



Online community, live and digital events



Print magazines, news feed, podcasts



# The Return on Investment of Outcome Marketing

**“Customer acquisition”** is the classic term used to describe the marketing focused on finding new customers. According to recent research by Econsultancy, up to 80 percent of a typical marketing budget is allocated to customer acquisition. (The leaky bucket of customer attrition must be constantly replenished.) No doubt, a continuous focus on acquiring new customers is critical to a company's success.

However, over the past few decades, research by Bain and Company on the role of customer loyalty and company growth has demonstrated that investment in customer retention can provide an even better ROI than acquisition. According to Bain, 5 percent increases in customer retention can increase profits by 25 to 95 percent. And, depending on the type of vertical business a company is in, acquiring a new customer is anywhere from five to 25 times more expensive than retaining an existing one.

Moreover, the research shows that even a slight shift of 1 or 2 percent of a marketing budget from acquisition to retention can have a dramatic impact on growing a company's bottom line. Why? (1) Customer acquisition costs are front-end loaded and extremely expensive in relationship to the revenue generated by the first transaction. (2) The justification for the high cost of customer acquisition is the opportunity to maximize the profit represented in the lifetime value (LTV) of the customer.

The LTV of an existing customer (the revenue generated across a series of transactions) is not fully recognized unless you focus on retention or loyalty and not merely acquisition.

The best way to retain a customer for the longest span possible is to fulfill your product's promise and make sure you've helped them reach the outcome they sought. ■



## Why Great Companies Exist:

Helping Customers Achieve Their Desired Outcomes

**By the time** of his death in 2005 at the age of 95, Peter Drucker had become one of the world's most influential business management scholars, writers and consultants. He received awards from governments and corporations worldwide, including the Presidential Medal of Freedom, the highest civilian award in the United States.

Such awards are presented to people who find truths outside the confines of their era's conventional wisdom. In an era when "building shareholder wealth" became the mantra of management, Drucker's radical teachings, which helped Japan recover from World War II into one of the most powerful economies in the world, boiled down to this: "The customer is the foundation of a business and keeps it in existence."

Drucker's philosophy is behind the success and growth of companies like Whole Foods, Apple and Amazon: Serve the customer, he said, and the shareholder's wealth will grow.

Don't make your "why you exist" philosophy be about serving your shareholders, board, executives, employees, product, history, process, value proposition or positioning statement.

They are all important, but they all benefit more if you serve the customer first and foremost.

Serving and helping your customers in ways that enable them to reach the outcome they seek: That is why your company should exist. ■





# 10 Traits of an Outcome Marketer

Outcome marketers share certain traits and are drawn to companies that share those values.

1. Rather than obsess over metrics like followers, likes and engagement, they focus on metrics like customer satisfaction and repeat sales.
2. They use social media to listen, answer and advise.
3. Their toes start tapping with nervous energy when they start talking about ways the company can help a customer accomplish a goal or solve a problem.
4. They're compelled to find better ways to help customers become smarter, savvier users of their company's products.
5. They're preoccupied with how-tos.
6. When they hear a customer is using their product in a new way, they get choked up and send that person flowers.
7. They view media and content as integral parts of a product, not merely as tools to market products.
8. They use words like teach, help and serve rather than promote, market and target.
9. They are constant experimenters and tinkerers, but they're skeptical of anything new that doesn't sync with their customers' needs or behavior.
10. They're not just planners—they're doers. While in pursuit of perfection, they know what Voltaire meant when he said, "The perfect is the enemy of the good." ■



The Hammock Idea Ebook series is a companion to our Idea Email and Healthcare Idea Email. Each Idea Email is mailed every other Thursday afternoon (you can subscribe to one or both). Idea Emails feature one brief article and related recommendations about a topic we believe is important to the people responsible for leading their organizations' marketing strategies.

[Review our archive and subscribe at:](#)

Hammock Idea Email | <http://hammock.com/idea-email>

Hammock Healthcare Idea Email | <http://hammock.com/idea-email-healthcare>

To discuss putting customer media and content to work for your organization,  
Contact Steve Sullivan, National Sales Director | [ssullivan@hammock.com](mailto:ssullivan@hammock.com) | 615.690.3427

Hammock.com, 814 Church Street, Suite 500, Nashville, TN 37203, 615.690.3400